

Merrimack School District Budget Committee
Minutes
January 26, 2016

Present: K. Bobbitt, B. Cummings, S. Heinrich, D. Illg, C. Lang (via telephone, after meeting started), J. Guagliumi, J. Hanson, S. Jacoby, C. Mower C. Ortega and School Board liaison D. Powell

Absent: L. Mooney

Also present: Superintendent M. Chiafery, Assistant Superintendent Dr. M. McLaughlin, School Business Administrator M. Shevenell and various department heads

S. Heinrich called the meeting to order at 7:03 P.M. and asked S. Jacoby to lead those present in the Pledge of Allegiance.

Approval of Prior Minutes

K. Bobbitt made a MOTION to approve the minutes of January 19, 2016 with corrections.

Second: B. Cummings. MOTION PASSED: 7 – 0 – 2. (D. Illg and C. Mower abstained.)

At this time Carol Lang joined the meeting via speakerphone. She was in Satellite Beach, Florida and there was no one in the room with her.

Department Budget Reviews

Food Service

Department Head: David Dziki

Committee Liaisons: S. Heinrich, D. Illg, J. Guagliumi and C. Lang

Liaison Report: S. Heinrich told the Committee that the Food Service Department is responsible for serving food at all six district schools. He said he would ask D. Dziki to expand on the P.O.S. (Point Of Sale) system and the proposed expense for shelving units. Otherwise, he said he felt this was a straightforward budget. C. Lang stated that the proposed vehicle repair budget is down because the old van has been replaced and fewer vehicle repairs are expected. She also said the P.O. S system increase last year was due to a one-time cost to upgrade the system but the budget is now back to the normal yearly contract price.

D. Dziki said the proposed new shelving was to replace 40-year old shelving units in the walk in cooler. He is proposing plastic, non-corrosive shelving units. He also explained that every school has a P.O.S. system that allows on-line pre-payment for students. There has been \$191,000 in parent deposits for thus far this year. The system allows parents to have an overview of their students' accounts and to use a credit card. D. Dziki explained that federal regulations now require that 100% of grain products served be "whole grain rich."

Discussion included the following:

- Lunch costs \$2.50 at the elementary schools and \$2.75 at the middle and high school.
- The last time the lunch cost was increased was 3 years ago in order to meet federal guidelines or the district would have lost its federal funding.

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Library and Media Services

Department Head: Nancy Rose

Committee Liaisons: J. Hanson, C. Mower and L. Mooney.

Liaison Report: J. Hanson told the Committee that he had met with N. Rose and reviewed the budget line by line. He said this department also serves all six of the district's schools. He indicated the budget is in line with the current year's budget except for a slight increase in software licensing costs and that the document cameras requested will provide parity and flexibility to the schools. He indicated that the IT infrastructure increases in the budget are in the district's C.I.P. He also indicated a new item: membership for N. Rose in a national organization of school technology directors, which focuses on student security issues.

N. Rose said the proposed budget is a sustaining budget for on-going operations.

Discussion included the following:

- The IT infrastructure purchases are to keep up with new directions in technology, offer more speed, upgrade servers and increase WiFi saturation.
- There may be a future need to add more access points and/or capacity. The District is upgrading "from the outside in."
- The yearly variance in the yearly software license line is because some licenses are paid annually and some are paid bi-annually.
- Daily, there are 2,000 – 2,500 devices on-line in the district.
- This department might properly be called Technology and Library Services.
- The school district, by law, has filters on its computers.
- One computer tech was added to staff this past year

Maintenance

Department Head: Tom Tousseau, and Business Administrator M. Shevenell

Committee Liaisons: J. Hanson, D. Illg, S. Heinrich and J. Guagliumi

Liaison Report: J. Hanson told the Committee that the Maintenance Department provides services to the entire District and the proposed Maintenance Department budget represents \$3.7 million dollars of total proposed budget. He said the budget is relatively static except for four items: replacement of the HVAC system on cafeteria roof, replacement of three quarters of the middle school roof, a new track and ground work needed to install a pre-school playground at Thorntons Ferry School. J. Hanson said that T. Tousseau would provide further detail but noted that the HVAC system had been deferred until this year and that the department inspects each school's roof twice a year. When doing this year's inspection, the department found the middle school roof is damaged, needs to be replaced and it is out of warranty. S. Heinrich reported that paving in front of the high school had originally been included in the proposed budget but had been cut by the School Board.

T. Tousseau told the Committee that the HVAC unit is now so badly rusted that it is almost impossible to repair. He indicated that depending on the final bid price, the budget proposes replacing two-thirds to three quarters of the middle school roof. He indicated the original roof was a stretched membrane rubber roof with a 10-year warranty and the new roof will be a mineral based, built-up roof with a 30-year warranty. He indicated the district has 11.25 acres of roof in 73 sections and has a roof replacement program.

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M. Shevenell told the Committee that the District has been replacing school roofs over the last few years and hadn't expected to need to replace this roof at this time. He also said that the District hopes to save toward future roof replacement in years when the budget does not contain a roof replacement budget item. He said the reason the district was not proposing the entire roof was cost.

D. Powell said that School Board practice has been to put needed capital items in the operating budget rather than in warrant articles because if the warrant article fails, no means no. He said the School Board was trying to balance important projects and still propose a low operating budget.

Discussion included the following:

- Middle School Roof
 - Maybe the District needs to revisit its roof program with an eye toward better management.
 - The department “walks” each roof each year, does photo imaging and consults with an engineer to determine condition of each roof.
 - The middle school roof is the last roof in the District with only a 10-year warranty.
 - Last year’s severe winter may have hastened the deterioration of the middle school roof.
 - The District hopes in five years there will be no roof replacement projects in the operating budget and it can start putting funds in the District Roof Capital Reserve Fund for future roof replacement projects.
 - The middle school infrastructure is not designed to support the load of a gravel-based roof.
 - T. Tousseau said he believes the portion of the roof that is not repaired can be put off until next year.
 - The District will fix as much of the middle school roof as it can for the proposed amount.
 - The District did ask for a bid price for the whole roof as well as a partial roof.
 - Bid opening will be on January 29th; report to School Board on February 1st and report to Budget Committee on February 2nd.
- Track
 - The lifespan of a track is considered to be 10 – 15 years.
 - The current track is at the end of its expected life.
 - The new track will also have a 10 – 15 year lifespan.
 - The firm that repairs the track will no longer guarantee the safety of their repairs.
 - The new track will have 6 lanes around and an 8 lane straightaway, which is in keeping with requirements to hold a state meet.
 - The District worked with civil engineer Steve Keach to determine project costs.
 - The project will include improved drainage and a retaining wall.
 - A new field can be installed at a later date without damaging the track.
 - There is a slight cost benefit to replacing both the track and field at the same time.
 - Keeping the current configuration: 6 lanes around and a 6 lane straightaway will cost slightly less than making the straightaway 8 lanes.
 - The District expects to be able to use the track for the spring track season.

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- If the operating budget fails, the School Board may decide to work within the default budget or may decide to hold a special meeting.
- The Department will look at the kicked in panels on the stage. Panels have been repaired in the past and there may be some money to fix them.

District Wide

Superintendent M. Chiafery, Assistant Superintendent Dr. M. McLaughlin, School Business Administrator M. Shevenell

Committee Liaisons: S. Heinrich, D. Illg, J. Guagliumi, C. Lang

S. Heinrich reported that the total operating budget is up 2.2% over the current budget. He said the majority of the increase is due to capital projects that are in the operating budget. He also said the guaranteed health insurance increase is 12.2% but that there has been a lot of change in which plan various employees take.

M. Shevenell told the Committee that except for the four capital items that are in the operating budget, the proposed budget is basically level funded. He said there were no increases in transportation cost and the NH retirement rates and there is a decrease in bonded debt line. He indicated that the District is doing more “on-line” which has reduced paper and postage costs.

There were no questions from the Committee.

Other

S. Heinrich asked M. Shevenell to go over the budget cuts made by the School Board to the budget the Administration had proposed.

M. Shevenell said the School Board made approximately \$470,000 in cuts to the Administration’s proposed budget:

- *\$227,000 for paving at the high school
- *\$206,000 from staff salaries due to hiring teachers at lower salaries to replace those who retire.
- *\$10,000 to eliminate a proposed half time para-educator at the charter school – leaving line with one para-educator.
- *\$10,000 from district wide painting.
- *\$200 from the postage account due to an accounting error.
- *\$8,000 from the white-board account, which still has \$8,000 in it.
- *\$7,000 for new folding chairs and caddies.

S. Heinrich asked M. Shevenell to go over the default budget.

M. Shevenell told the Committee that for the first time in several years, the default budget is less than the proposed budget. However, he said that it is only \$816,915 less than the proposed budget. He explained the process to determine the default budget is spelled out in statute. He said he started with last year’s approved budget, added any contractual and Special Services obligations (i.e. support staff salary increase and Out of District Placement tuition costs), reduced the bonded debt payments and removed any expenditures of a “one-time” nature (i.e. food service van.) and the result is the default budget. .

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S. Heinrich said by statute, the School Board approves the default budget and the Budget Committee doesn't vote on it and can't change it.

Next Meeting

S. Heinrich told the Committee that the next meeting would be the budget work session and warrant article review. He said there would be at least one warrant article for the Committee to review.

S. Heinrich requested that the Committee would go through the budget department by department and that any member wishing to make an adjustment should be prepared to provide the account number and page number of the budget line so that the Committee could discuss the adjustment.

He also said that additional changes to the budget could be made either before or after the Public Hearing on February 9th. He indicated that any member with specific department questions should contact him and we would funnel the question to the correct department head.

At this time, C. Lang ended her telephonic participation in the meeting.

Public Participation

There was no public participation

B. Cummings made a MOTION to adjourn. Second: J. Hanson. MOTION PASSED unanimously.

S. Heinrich adjourned the meeting at 8:55 PM.